



Billing Code: 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-911]

#### Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: As a result of this sunset review, the Department of Commerce (Commerce) finds that revocation of the countervailing duty order would be likely to lead to the continuation or recurrence of a countervailable subsidy at the levels indicated in the "Final Results of Review" section of this notice.

DATES: Applicable (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION: Ian Hamilton, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4798

#### SUPPLEMENTARY INFORMATION

##### Background

On July 22, 2008, Commerce published its countervailing duty order on circular welded carbon quality steel pipe from China.<sup>1</sup> On August 21, 2012, Commerce implemented its revised countervailable subsidy rates pursuant to the findings in the section 129 proceeding of the

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<sup>1</sup> See *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 73 FR 42545 (July 22, 2008) (*Order*).

Uruguay Round Agreements Act (URAA).<sup>2</sup> On November 1, 2018, Commerce published the notice of initiation of the second sunset review of the countervailing duty order on circular welded carbon quality steel pipe from China, pursuant to section 751(c) of the Tariff Act of 1930, as amended, (the Act).<sup>3</sup> On November 15, 2018, within the deadline specified in 19 CFR 351.218(d)(1)(i) and section 771(9)(C) of the Act, Commerce received a notice of intent to participate from Zekelman Industries,<sup>4</sup> and from Bull Moose Tube Company, EXLTUBE, TMK IPSCO and Wheatland Tube.<sup>5</sup> On November 16, 2018, also within the deadline, Commerce received a notice of intent to participate from Independence Tube Corporation (Independence), a Nucor company, and Southland Tube, Incorporated (Southland), a Nucor company.<sup>6</sup> Each of the companies claimed to be a domestic interested party as producers of a domestic like product (circular welded carbon quality steel pipe) in the United States.

On November 29, 2018, Commerce received complete substantive responses to the notice of initiation from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>7</sup> We received no substantive responses from respondent interested parties or from the Government of China with respect to the order covered by this sunset review.

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<sup>2</sup> See *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Certain New Pneumatic Off-the-Road Tires; Circular Welded Carbon Quality Steel Pipe; Laminated Woven Sacks; and Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 77 FR 52683 (August 30, 2012) (*Section 129 Implementation*).

<sup>3</sup> See *Initiation of Five-Year (Sunset) Reviews*, 83 FR 54915 (November 1, 2018).

<sup>4</sup> See Letter from Zekelman "Circular Welded Carbon Quality Steel Pipe from The People's Republic of China: Domestic Industry Notice Of Intent To Participate In Sunset Reviews," dated November 24, 2018.

<sup>5</sup> See Letter from Bull Moose Tube Company, EXLTUBE, TMK IPSCO and Wheatland Tube "Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Intent to Participate in Sunset Reviews," dated November 15, 2016).

<sup>6</sup> See Letter from Independence and Southland "Circular Welded Carbon Quality Steel Pipe From the People's Republic of China: Notice of Intent to Participate in Sunset Review," dated November 16, 2018.

<sup>7</sup> See Letter from Bull Moose Tube Company, EXLTUBE, TMK IPSCO, Wheatland Tube, Zekelman Industries, Independence Tube Corporation and Southland Tube Incorporated (collectively, domestic interested parties) "Circular Welded Carbon Quality Steel Pipe from The People's Republic of China: Domestic Industry Substantive Response," dated November 29, 2018 (Domestic Industry Substantive Response).

On December 18, 2018, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.<sup>8</sup> As a result, pursuant to 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the countervailing duty order on circular welded carbon quality steel pipe.

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.<sup>9</sup> If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the expedited final results of this sunset review is now April 10, 2019.

#### Scope of the Order

The scope of this order covers certain welded carbon quality steel pipes and tubes, of circular cross-section, and with an outside diameter of 0.372 inches (9.45 mm) or more, but not more than 16 inches (406.4 mm), whether or not stenciled, regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (*e.g.*, plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, ASTM, proprietary, or other), generally known as standard pipe and structural pipe (they may also be referred to as circular, structural, or mechanical tubing).

The pipe products that are the subject of this order are currently classifiable in the Harmonized Tariff Schedule of the United States statistical reporting numbers 7306.30.10.00,

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<sup>8</sup> See Letter to the ITC re: "Sunset Reviews Initiated on November 1, 2018," dated December 18, 2018.

<sup>9</sup> See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, 7306.30.50.90, 7306.50.10.00, 7306.50.50.50, 7306.50.50.70, 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. For a full description of the scope of this order, *see* the accompanying Issues and Decision Memorandum.<sup>10</sup>

#### Analysis of Comments Received

All issues raised in this sunset review are addressed in the Issues and Decision Memorandum,<sup>11</sup> which is hereby adopted by this notice. The issues discussed in the Issues and Decision Memorandum are the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rates likely to prevail if the order were revoked. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and to all in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

#### Final Results of Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that revocation of the countervailing duty order on circular welded carbon quality steel pipe from

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<sup>10</sup> See Memorandum, "Issues and Decision Memorandum for the Expedited Second Sunset Review of the Countervailing Duty Order on Circular Welded Carbon Quality Steel Pipe from the People's Republic of China," dated concurrently with this notice (Issues and Decision Memorandum).

<sup>11</sup> *Id.*

China would be likely to lead to the continuation or recurrence of a countervailable subsidy at the rates listed below:<sup>12</sup>

<u>Producer/Exporter</u>	<u>Net Subsidy Rate %</u>
Weifang East Steel Pipe Co., Ltd. (East Pipe)	29.83 percent
Zhejiang Kingland Pipeline and Technologies Co., Ltd., Kingland Group Co., Ltd, Beijing Kingland Century Technologies Co., Zhejiang Kingland Pipeline Industry Co., Ltd., and Shanxi Kingland Pipeline Co., Ltd. (collectively, Kingland Companies)	48.18 percent
Tianjin Shuangjie Steel Pipe Co., Ltd.; Tianjin Shuangjie Steel Pipe Group Co., Ltd.; Tianjin Wa Song Imp. & Exp. Co., Ltd.; and Tianjin Shuanglian Galvanizing Products Co., Ltd. (collectively, Shuangjie)	620.08 percent
All other producers and exporters	39.01 percent

#### Notification to Interested Parties

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

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<sup>12</sup> See Section 129 Implementation, 77 FR at 52685.

We are issuing and publishing the final results and this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

*Dated: March 20, 2019.*

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James Maeder,

Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations  
performing the duties of Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations.

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